

Solid results first half year 2004 Accell Group

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Amsterdam, 21 July 2004

Business goes well...

- **Autonomous**
 - Strong positioning of Accell Group's brands
 - Effective marketing of brands towards dealers and consumers
 - Innovative en appealing products for consumers
 - Margin improvements
- **Acquisitions**
 - Full consolidation of Tunturi in 2004; as of August in 2003
 - Consolidation of Juncker as of 1 January 2004
 - Consolidation of Burco as of 1 June 2004

Results 1st half year

	2003	2004	
Turnover	€ 165.3	€ 204.3	+24%
Net profit	€ 5.0	€ 7.5	+49%
EPS	€ 1.51	€ 2.21	+46%

A brand is more than a name

1. Recognizable for consumers
 - If consumers have money to invest, they choose the certainty of a strong and established brand
2. Clearly differentiates the product from other comparable products
3. Supports bicycle retail specialists in generating turnover
4. Provides certainty
 - Consumers are able to rely on quality and service
 - Manufacturer reaches independent status compared to competition
 - Manufacturer can create image for its target group

Margins improved

- Effective margin management
- New and innovative products
- From season to season lower purchase prices
 - Economies of scale
 - Favourable development exchange rates (hedged per season)

The Netherlands

- Relevant market segments remain attractive for Accell Group
- Turnover Accell Group The Netherlands growing
 - Batavus: strong centennial celebration marketing campaign
 - Sparta strengthens market position with ION
- Expansion in bike parts and accessories
 - Benelux turnover in bike parts and accessories reaches approximately € 20 million annually by acquisition of Juncker and F. van Buuren

Batavus celebrating 100th anniversary!



Al 100 jaar de meeste keuze.

Batavus viert haar 100 jarig jubileum! Een goede reden om voor dit bijzondere jubileum twee top-fietsen van wereldklasse uit te brengen. De Batavus Centennial Limited Edition wordt in beperkte oplage gemaakt; hetgeen z exclusieve karakter waarborgt. De jubileummodellen zijn een weerspiegeling van onze 100 jaar ervaring en kennis op het gebied van kwaliteit, comfort en design in fietsen. **Kortom onze fiets van de eeuw!**



Batavus Centennial
LIMITED EDITION

Onze fiets van de eeuw!

SPECIAL AWARD
FIETS VAN DE EEUW

Sports Naar Tracking >

Germany

- Consumer buying behaviour strongly focused on price
- More explicit separation between high and low market segments at the expense of the middle segments
- Position of retail specialists under pressure
- Little room for broader brand management
- Accell Group preserves position
 - Improve market positioning
 - Rationalization bicycle turnover
 - Growing market for bike parts and accessories
 - Optimize cost structure / reduce costs

France

- Little change in market
 - Good performance retail specialists' channel
 - Multiple stores remain difficult market
- Accell Group grows in retail specialists' channel
 - Marketing
 - High-tech product development
- Stable position multiple stores

Lapierre continues contract with Tour de France team (FDJeux)



 **LAPIERRE™**
ultimate cycles

Other countries

- Growth through acquisition:
 - Tunturi consolidated in 1st half year
 - Bicycles related turnover in Finland
 - Fitness related turnover worldwide
- Growth in export activities existing brands
 - Koga
 - Lapierre

Bicycles

- Interest in product and use remains high
- Large differences between segments
- Fierce competition in many countries with regard to marketing and technique

Bicycle parts & accessories

- If consumers do not buy new bicycles, they will instead choose for maintenance and beautification of existing bikes
- Turnover bike parts becomes increasingly important part of specialist retail shops' total turnover.
 - Spare parts for replacement
 - Accessories for more comfort and functionalities
- Advantage of scale
 - Beter use of brand licenses (agencies)

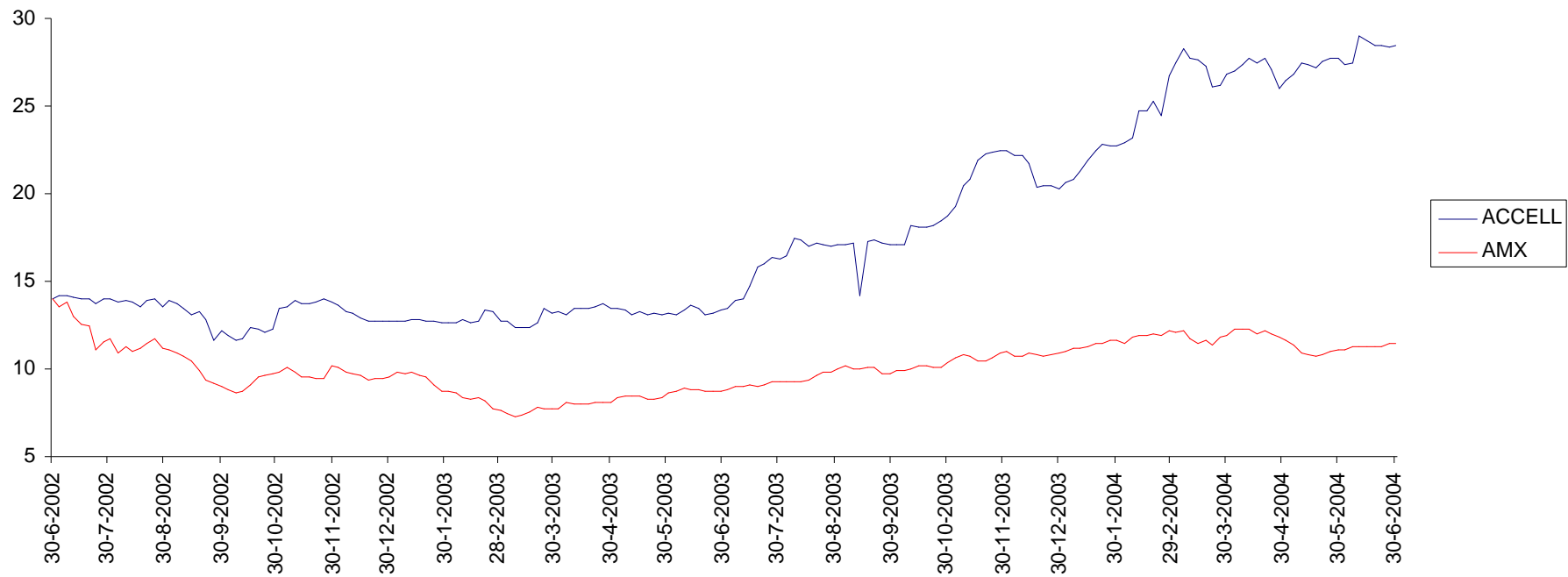
Fitness

- Wellness trend
- New products in development stage
- Optimize existing distribution
 - Own organisation vs distributor
 - Channel management

Accell Group has appealed against NM^a ruling

- Unfounded accusation
- Fine unjust and out of all proportion
- Obligation to pay the fine is deferred

Share price development



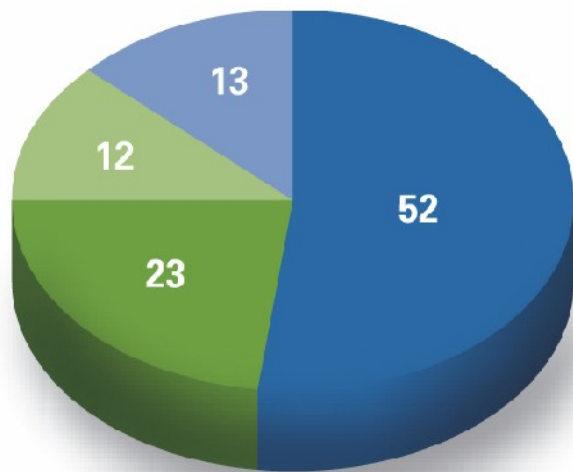
Profit & loss account (1)

	30-6-2003	2003	30-6-2004	
Net turnover	165.3	289.6	204.3	24%
Cost of raw materials	105.1	184,8	126.4	20%
Other operating costs	50.7	88,2	64.7	28%
Operating profit (EBIT)	<u>9.5</u>	<u>16.6</u>	<u>13.2</u>	39%
Participations	0	-0.1	-0.2	
Interest costs	1.8	2.6	1.9	6%
Taxes	2.7	4.9	4.0	48%
Net profit	<u><u>5.0</u></u>	<u><u>9.2</u></u>	<u><u>7.5</u></u>	49%

Profit & loss account (2)

- 10% autonomous growth in turnover; 14% growth through acquisitions
- Lower costs of raw materials in relation to turnover
 - 61.9% 2004 (63.6% in 2003)
 - Added value (net turnover – cost of raw materials) increases by 1.7%
 - On average improved margins and purchase conditions (from season to season)
 - Higher turnover first half year causes extraordinary profit due to favourable exchange rates
 - Higher added value Tunturi as a result of less outsourcing
 - Added value bicycle parts and accessories lower than on average

Geographical spread of turnover

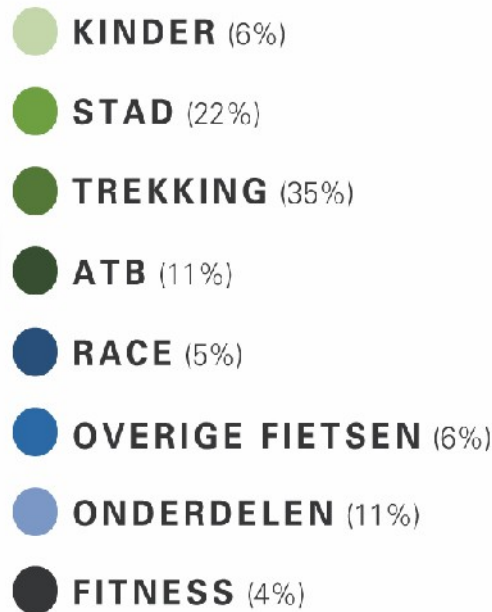
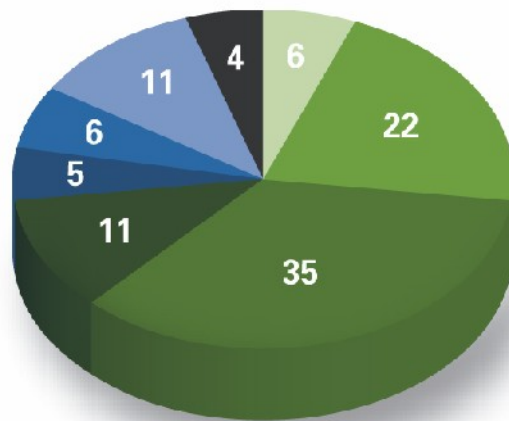


● NEDERLAND (52%)	
● DUITSLAND (23%)	(* EUR mln)
● FRANKRIJK (12%)	Netherlands
● OVERIG (13%)	Germany
	France
	Other
	Total

	H1 2003	H1 2004	
Netherlands	82.4	106.7	29%
Germany	49.1	47.2	-4%
France	23.5	24.9	6%
Other	10.3	25.5	148%
Total	165.3	204.3	

- Strong growth in The Netherlands; autonomous and through acquisitions
- Increased turnover in other countries through consolidation Tunturi and autonomous export growth

Turnover per segment



(* EUR milj.)

Children
City
Trekking
ATB
Racing
Other bikes
Parts
Fitness
Total

	H1 2003	H1 2004	
Children	10.0	13.0	30%
City	43.5	43.8	1%
Trekking	59.8	70.9	19%
ATB	23.0	22.7	-1%
Racing	8.0	9.7	21%
Other bikes	7.0	12.1	73%
Parts	14.0	23.2	66%
Fitness	0.0	8.9	
Total	165.3	204.3	

- Altered mix as a result of consolidation Tunturi
- Increased turnover in bike parts and accessories; autonomous and through acquisitions

Operational costs

- Operational costs (excl. costs of raw materials) increased.

(x € mln)	30-6-2003	2003	30-6-2004	
Costs of staff	23.7	45.2	30.2	27%
Depreciation	2.1	3.9	2.9	38%
Other expenses	24.9	39.1	31.6	27%
Total	<u>50.7</u>	<u>88.2</u>	<u>64.7</u>	28%

- Costs of staff increase from 14.3% to 14.8% of turnover, as a result of a.o. consolidation of Tunturi.
 - Tunturi produces relatively more semi-manufactured products
- Other expenses increase marginally from 15.1% to 15.5% of turnover

⇒ More added value, more efforts and costs

⇒ On balance, better results

Balance sheet, assets (x € 1.000)

Assets	30-6-2003	31-12-2003	30-6-2004
<i>Fixed assets</i>			
Intangible fixed assets	692	583	425
Goodwill	0	0	2,183
Tangible fixed assets	24,395	28,905	29,439
Financial fixed assets	2,734	5,659	5,880
	<u>27,821</u>	<u>35,147</u>	<u>37,927</u>
<i>Current assets</i>			
Inventories	47,893	54,139	57,030
Receivables	47,493	45,654	52,376
	<u>95,386</u>	<u>99,793</u>	<u>109,406</u>
Total assets	<u><u>123,207</u></u>	<u><u>134,940</u></u>	<u><u>147,333</u></u>

- Goodwill as a result of acquisitions
- Relative decline in inventories and receivables

Balance sheet, liabilities (x € 1.000)

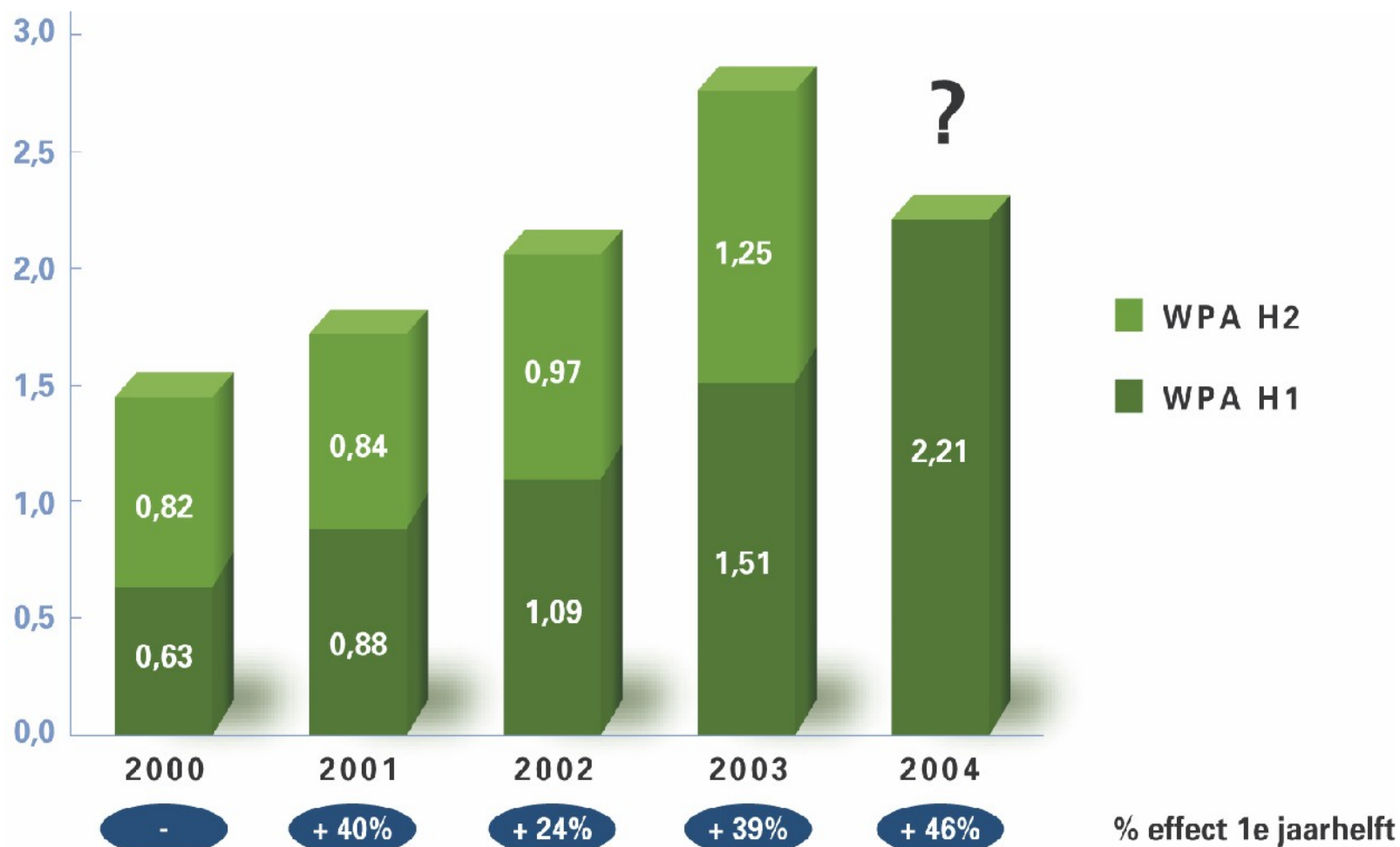
Liabilities	30-6-2003	31-12-2003	30-6-2004
Group equity	44,521	48,051	54,320
Subordinated loan	7,000	6,500	6,000
Provisions	6,412	6,984	7,724
Long term debt	22,138	22,018	22,064
Banks	14,903	25,728	17,686
Short term debt	28,233	25,659	39,539
	<u>123,207</u>	<u>134,940</u>	<u>147,333</u>

- Banks increased due to acquisitions
- Increased use of suppliers credit

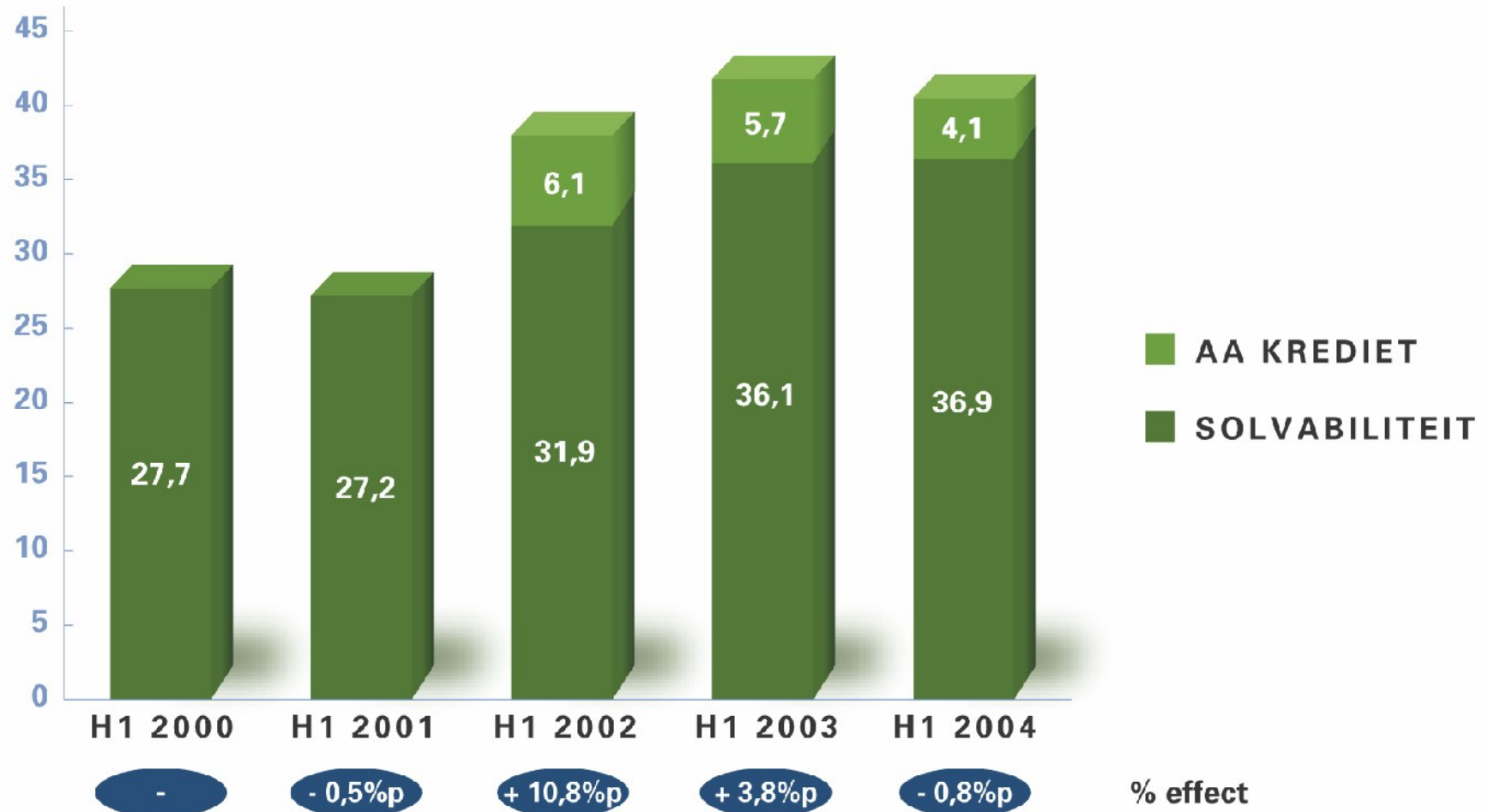
Dividend (€ 1.30)

- No. of outstanding shares as per 01-01-2004: 3,349,561
- Proposed dividend to be paid in cash or stock
 - 2,258,930 shares offered for stock (67%)
 - 112,947 new shares issued
- No. of outstanding shares as per 30-06-2004: 3,462,508
 - Solvency 2.1% higher than in case of 100% pay out in cash

Overview of ratios - EPS



Overview of ratios – Solvency as per 30 June



* Including AA-credit NIB Capital

Ratios

	30-06-2003	31-12-2003	30-06-2004
Operational result / turnover	5.8%	5.7%	6.5%
Solvency	42%	40%	41%
Per share (x €)			
Group equity	13.39	14.44	16.09
Net profit from ordinary operations	1.51	2.76	2.21

Accell Group invests

- Development of appealing products
- Marketing
 - Examine consumers' en dealers' wishes and needs
 - Tell customers about our product offering
 - Assist dealers in advising consumers

Accell Group has growth potential

- Consumers are interested in (physical) wellness
- Good products
 - Safe
 - Comfortable
 - Many opportunities
- Dealers are doing well
 - Attractive stores
 - Good lay-out
 - Test facilities
- Accell Group carefully listens to consumer and dealer

2nd half year 2004

- Integration Juncker, F. van Buuren
- Turnover in parts & accessories will grow autonomously
- Increase in R&D fitness activities to launch new products on home use market
- Batavus celebrates centennial anniversary in September
- Unaltered intensive use of marketing campaigns towards dealers and consumers
- Continued focus on margin management

Outlook

- Continuation of strategy
 - Autonomous growth
 - Acquisitions
 - Realization of synergies

- Trends in European markets expected to be unchanged
 - Continuous depressed consumer confidence

- Strong increase in earnings per share for full year 2004
(barring unforeseen circumstances)

